



Chevron



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**Advance Notice of Proposed Rulemaking
Valuation of Oil from Federal and Indian Leases
30 CFR Part 206
60 FR 65610 (December 20, 1995)**

Gentlemen:

Chevron, one of the largest payors of royalty on oil produced from federal leases, appreciates the opportunity to comment on the advance notice of proposed rulemaking. Unfortunately, Chevron's ability to offer substantive comments at this time on the specific issues raised by MMS in the ANOPR is severely limited by the pendency of private litigation involving many of the same issues. As MMS is no doubt aware, these separate and unrelated lawsuits are in the initial stages of discovery, and resolution may not take place in the near future. To date, no finding has been made that oil posted prices are inappropriate as a measure of market value or royalty value.

Chevron also feels that the same constraints which limit its ability to offer substantive comments on the ANOPR at this time also prevent it from being able to participate in a negotiated rulemaking. We feel that there are so many who should properly be included in a negotiated rulemaking who will be prevented from participating for reasons clearly beyond their control, that a negotiated rulemaking would be inappropriate at this time.

We hope you understand that Chevron strongly supports the notice and comment provisions of the Administrative Procedure Act. We also support the negotiated rulemaking process in those instances when none of the parties essential to such a negotiation would be limited in its ability to fully participate in the deliberations.

Respectfully submitted,

George W. Butler